

By: Ellis

S.B. No. 963

A BILL TO BE ENTITLED

AN ACT

relating to rates for long-term care insurance premiums.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 1651.055(a), Insurance Code, is amended to read as follows:

(a) The commissioner shall adopt rules to stabilize long-term care premium rates by:

(1) ensuring that:

(A) initial rates for long-term care benefit plan forms are adequate; ~~and~~

(B) rates are based on credible Texas experience and are established without regard to rates charged or approved in another state; and

(C) any rate schedule increases for long-term care benefit plans made after issuance of the plans are justified, adequate, and reasonable in relation to benefits provided to plan holders;

(2) requiring any appropriate plan terms;

(3) imposing penalties on insurers or other entities subject to this chapter that violate a rule adopted under this section; and

(4) protecting plan holders affected by a rate schedule increase.

SECTION 2. This Act applies only to an insurance policy or

1 contract or evidence of coverage that is delivered, issued for
2 delivery, or renewed on or after January 1, 2010. An insurance
3 policy or contract or evidence of coverage delivered, issued for
4 delivery, or renewed before January 1, 2010, is governed by the law
5 as it existed immediately before the effective date of this Act, and
6 that law is continued in effect for that purpose.

7 SECTION 3. This Act takes effect September 1, 2009.